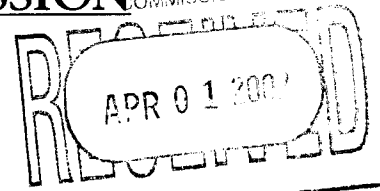


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**



**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

P

W-02146A  
PEEPLES VALLEY WATER COMPANY  
15811 NORTH 9TH AVENUE  
PHOENIX AZ 85023-

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-3-02 cm

SCANNED

## COMPANY INFORMATION

**Company Name (Business Name)** Peoples Valley Water Company

Mailing Address 3550 N. Central Ave., Suite 1500  
(Street)

Phoenix, Az 85012  
(City) (State) (Zip)

602-264-7101 602-234-0419  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Local Office Mailing Address 3550 N. Central Ave., Suite 1500  
(Street)

Phoenix, Az 85012  
(City) (State) (Zip)

602-264-7101 602-234-0419  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** Richard Darnall Executive Consultant  
(Name) (Title)

15811 N. 9th Ave. Phoenix, Az 85023  
(Street) (City) (State) (Zip)

602-866-8115 602-866-0313 602-432-2516  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address URSAZ@aol.com

**On Site Manager:** William Block  
(Name)

P. O. Box 494 Yarnell Az 85362  
(Street) (City) (State) (Zip)

928-427-9446 928-427-9446 602-820-4466  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address N/A

**Statutory Agent:** \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Ted Warner Warner, Angle, Roper & Hallam  
(Name)

3550 N. Central Ave., Suite 1500

Phoenix, Az 85012

(Street)

(City)

(State)

(Zip)

602-264-7101

602-234-0419

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input checked="" type="checkbox"/> Subchapter S Corporation (Z)          |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                            |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe) _____ |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE            | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

**COMPANY NAME**

Peeples Valley Water Company

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	4,071	1,851	2,220
307	Wells and Springs	101,563	66,822	34,741
311	Pumping Equipment	27,506	18,537	8,969
320	Water Treatment Equipment	541	108	433
330	Distribution Reservoirs and Standpipes	104,553	67,185	37,368
331	Transmission and Distribution Mains	147,739	96,149	51,590
333	Services	24,878	13,806	11,072
334	Meters and Meter Installations	16,074	7,977	8,097
335	Hydrants	1,981	189	1,792
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,183	1,183	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>430,089</b>	<b>273,808</b>	<b>156,281</b>

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	4,071	3.3%	136
307	Wells and Springs	101,563	3.3%	3,382
311	Pumping Equipment	27,506	12.5%	3,438
320	Water Treatment Equipment	541	20.0%	108
330	Distribution Reservoirs and Standpipes	104,553	2.2%	2,376
331	Transmission and Distribution Mains	147,739	2.0%	3,005
333	Services	24,878	3.3%	813
334	Meters and Meter Installations	16,074	8.3%	1,294
335	Hydrants	1,981	2.0%	40
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,1183	20.0%	151
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>430,089</b>	<b>3.4%</b>	<b>14,723</b>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

### BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 8,651	\$ 8,787
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	1,660	0
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	0	15,104
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 10,311	\$ 23,891
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 146,231	\$ 59,823
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		12,518
255	Accumulated Deferred Investment Tax Credits	12,460	
271	Contributions in Aid of Construction	118,614	118,614
272	Less: Amortization of Contributions	63,820	69,257
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 67,254	\$ 61,875
	<b>TOTAL LIABILITIES</b>	\$ 236,915	\$ 145,589
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		161,661
215	Retained Earnings	99,912	(132,976)
218	Proprietary Capital (Sole Props and Partnerships)	(140,564)	
	<b>TOTAL CAPITAL</b>	\$ ( 40,652)	\$ 28,685)
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 183,144	\$ 174,274

## BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 8,124	\$ 2,616
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	7,021	9,248
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	455	1,365
162	Prepayments	1,225	1,838
174	Miscellaneous Current and Accrued Assets	0	2,926
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 16,825	\$ 17,993
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 425,404	\$ 430,089
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	259,084	273,808
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 166,319	\$ 156,281
	<b>TOTAL ASSETS</b>	\$ 183,144	\$ 174,274

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 76,442	\$ 80,556
460	Unmetered Water Revenue		
474	Other Water Revenues	1,168	690
	<b>TOTAL REVENUES</b>	\$ 77,610	\$ 81,246
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	5,274	5,841
618	Chemicals	829	548
620	Repairs and Maintenance	5,148	7,644
621	Office Supplies and Expense	246	271
630	Outside Services	35,400	35,400
635	Water Testing	300	1,741
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	2,100	2,080
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	4,792	1,061
675	Miscellaneous Expense	239	548
403	Depreciation Expense	15,388	9,288
408	Taxes Other Than Income		
408.11	Property Taxes	4,068	3,537
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 73,784	\$ 67,959
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	0	724
426	Miscellaneous Non-Utility Expenses	41	0
427	Interest Expense	7,699	6,423
	<b>TOTAL OTHER INCOME/EXP</b>	\$ 7,740	\$ 5,699
	<b>NET INCOME/(LOSS)</b>	\$ (3,914)	\$ 7,588



<b>COMPANY NAME</b>	Peeples Valley Water Company
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**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	12/10/97			
Source of Loan	Valley Bank of Arizona			
ACC Decision No.	60342			
Reason for Loan	Plant Additions			
Dollar Amount Issued	\$ 94,680	\$	\$	\$
Amount Outstanding	\$ 59,823	\$	\$	\$
Date of Maturity	12/10/07			
Interest Rate	Prime +1.5%			
Current Year Interest	\$ 6,423	\$	\$	\$
Current Year Principle	\$ 9,556	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 12,518
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Meter Deposits Refunded During the Test Year	\$ 2,420
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**COMPANY NAME** Peeples Valley Water company

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
544681	10	100	8	2.0
563104	10	100	8	2.0

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 19,280

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2	1	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
160,000	2	5,000	1

## STATISTICAL INFORMATION

Total number of customers	192	
Total number of gallons sold	15,581,000	gallons

**COMPANY NAME** Peeples Valley Water Company **YEAR ENDING 12/31/2001**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported N/A

Estimated or Actual Federal Tax Liability

State Taxable Income Reported

Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

COMPANY NAME Peeples Valley Water Company YEAR ENDING 12/31/2001

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 3,429

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

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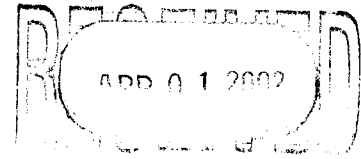
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**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

ARIZONA CORPORATION  
COMMISSION



**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James R. Gough, President</u>
COMPANY NAME	<u>Peoples Valley Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 81,246

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ -0-  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

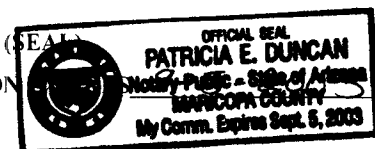
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 DAY OF

SIGNATURE OF OWNER OR OFFICIAL  
(602) 264-7101  
TELEPHONE NUMBER

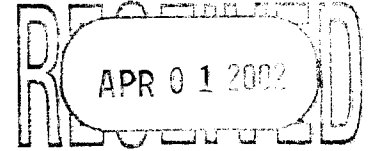
COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>March</u>	<u>2002</u>
SIGNATURE OF NOTARY PUBLIC <u>Patricia E. Duncan</u>		

MY COMMISSION



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Maricopa

NAME (OWNER OR OFFICIAL)

James R. Gough

TITLE

President

COMPANY NAME

Peoples Valley Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 81,246

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ -0-

IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF

(SEAL)



MY COMMISSION EXPIRES

9-5-03

NOTARY PUBLIC NAME

Patricia E. Duncan

COUNTY NAME

Maricopa

MONTH

March

2002

X

SIGNATURE OF NOTARY PUBLIC

PEEPLS VALLEY WATER CO.

P. O. BOX 88006 866-2329  
PHOENIX, AZ 85080

91-245  
1221

DATE 4/27/2001

PAY  
TO THE  
ORDER OF

Ross D. Jacobs, Yavapai County Treasurer

\$ 1659 <sup>75</sup>/<sub>100</sub>

Sixteen Hundred Fifty Nine & 75/100

DOLLARS

**BANK ONE**

Bank One, Arizona, N.A.  
7th St. - Bell Office (245)  
Phoenix, Arizona

FOR

#128523

⑈001513⑈ ⑆122100024⑆

0727⑈6747⑈

⑈0000166875⑈

65862891 YAVAPAI CREDIT TO PAYEE'S ACCT  
21665 8823 ENDORSEMENT GUARANTEED  
20658264 BANK ONE, PHOENIX, AZ  
1221-88824

MY '01' 08

122100024

BANK ONE, ARIZONA, N.A.  
PHOENIX, ARIZONA

1563

PEEPLS VALLEY WATER CO.

P. O. BOX 88006 866-2329  
PHOENIX, AZ 85080

1563

91-245  
1221

DATE 10/30/2001

PAY  
TO THE  
ORDER OF

Ross D. Jacobs, Yavapai County Treasurer

\$ 1768 <sup>63</sup>/<sub>100</sub>

Seventeen Hundred Sixty Eight & 63/100

DOLLARS

**BANK ONE**

Bank One, Arizona, N.A.  
7th St. - Bell Office (245)  
Phoenix, Arizona

FOR

1st Half #130574

⑈001663⑈ ⑆122100024⑆

0727⑈6747⑈

⑈0000166875⑈

11629661 YAVAPAI CREDIT TO PAYEE'S ACCT  
51665 8855 ENDORSEMENT GUARANTEED  
20658264 BANK ONE, PHOENIX, AZ  
1221-88824

NO m' 02

122100024

BANK ONE, ARIZONA, N.A.  
PHOENIX, ARIZONA